

**South Africa Treaty (1997)
Treasury Tech. Explan.,
Article 22, Paragraph 3,
Example 5**

**Flower (Part of),
Lawn (Complem. to),
& Fish (Neither)**

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USFlower is a corporation resident in the United States. USFlower produces and sells flowers in the United States and other countries. USFlower owns all the shares of SAHolding, a corporation resident in South Africa. SAHolding is a holding company that is not engaged in a trade or business. SAHolding owns all the shares of three corporations that are resident in South Africa: SAFlower, SALawn, and SAFish. SAFlower distributes USFlower flowers under the USFlower trademark in the other State. SALawn markets a line of lawn care products in the other State under the USFlower trademark. In addition to being sold under the same trademark, SALawn and SAFlower products are sold in the same stores and sales of each company's products tend to generate increased sales of the other's products. SAFish imports fish from the United States and distributes it to fish wholesalers in South Africa. For purposes of paragraph 3, the business of SAFlower forms a part of the business of USFlower, the business of SALawn is complementary to the business of USFlower, and the business of SAFish is neither part of nor complementary to that of USFlower.

